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HEARING ON THE 9/11 COMMISSION RECOMMENDATIONS: SUFFICIENCY OF TIME, ATTENTION, AND LEGAL AUTHORITY

Wednesday, August 11, 2004

House of Representatives,

Permanent Select Committee on Intelligence,

Washington, D.C.

The committee met, pursuant to notice, at 9:10 a.m., in Room 2318, Rayburn House Office Building, Hon. Sherwood Boehlert [acting chairman of the committee] presiding.

Present: Representatives Boehlert, Goss, Gibbons, Cunningham, Hoekstra, Burr, Everett, Davis, Harman, Reyes, Boswell, Peterson, and Eshoo.

Mr. *Boehlert.* The committee will come to order. Welcome to the Science Committee, which I am privileged to chair, chair and share with the Intelligence Committee today. There are going to be somewhat unusual proceedings today.

First, I will yield to the chairman of the Intelligence Committee, Mr. Goss, the gentleman from Florida.

Mr. *Goss.* Thank you very much, Mr. Chairman. I wanted to take this opportunity to read for the benefit of our members the letter I sent yesterday to Speaker Hastert offering to relinquish my position as chairman of this committee temporarily during the pendency of a confirmation process that I think most of you have read about. The text of the letter that I sent to Mr. Hastert is as follows:

"Dear Mr. Speaker: As a result of the honor bestowed upon me by the President today nominating me for the position of Director of Central Intelligence, I believe it is appropriate to relinquish my position as Chairman of the Permanent Select Committee on Intelligence during the pendency of the confirmation process of that nomination, effective immediately. Therefore, I would ask that you appoint a member to take the chairmanship of the committee on a temporary basis, effective immediately, until the Senate makes a final determination on the President's nomination. I believe it continues to be appropriate for me to remain a member of the committee, however. Thank you for your

consideration of this request. Very truly yours, Porter Goss."

A copy to Ms. Harman, and that letter has been sent to the Speaker.

With that, I come here today with an open mind to listen attentively, to learn from the knowledgeable and distinguished witnesses we have before us today, and we indeed do, and we are grateful for their presence. There is no issue more critical to the safety of the Nation than ensuring that we conduct intelligence operations in the most effective manner possible, and I remain very grateful to Commissioners Kean and Hamilton and the rest of the 9/11 Commission and their staff for thoughtful and dedicated service.

As you know, I made very glowing, laudatory remarks about the report. I have actually read it twice now, even most of the fine print, which is hard for old eyes. I think it is a wonderful exposition that every American should read about the danger that confronts us and the way we organize our capabilities to deal with those dangers and what steps are necessary to go forward. I think it is an excellent presentation, worth everybody's time, and I am very proud that this committee was the paternal and maternal committee of setting up the Commission to do their work. I think that

the outcome shows that we were justified in the way we handled our business, and I thank you.

I yield back to you, Mr. Chairman.

Mr. *Boehlert.* Thank you very much, Chairman Goss.

I want to welcome all of you back to Washington for the second in a series of critical hearings to examine the Nation's intelligence community in response to the September 11th terrorist attacks. First things first.

As we all now know, President Bush has nominated Committee Chairman Porter Goss to lead the Central Intelligence Agency during this time of necessary change. I applaud the President's choice, and I applaud the President's timing. And I hope for swift confirmation.

In the eyes of many, this is the silly season in our arena. Let us hope that partisanship won't rear its ugly head during the Senate proceedings. The business we are about is too important for a Republican/Democrat divide.

Mr. Chairman, we wish you well.

Also, we welcome the newest member of the committee, Congresswoman Jo Ann Davis of the Commonwealth of Virginia. We look forward to your valuable additions to this committee.

Before us today are dedicated, learned, and committed leaders of the 9/11 Commission: Chairman Tom Kean and Vice Chairman Lee Hamilton. They have worked diligently and cooperatively to produce very substantive and important

recommendations. Those recommendations are welcomed for those of us who have policymaking responsibility.

These hearings are critical to the future and security of our Nation. Now it is up to us to do our job, working in tandem to improve the Nation's intelligence infrastructure.

Some people want to rush to judgment, calling for wholesale restructuring of the intelligence community. Others are resisting change, preferring the status quo as turf protection is emphasized. Neither, it seems to me, is the wisest choice. Change is inevitable because it is necessary, but we cannot wave a magic wand and wish it to be better. We have to work to achieve improvement.

The Commission's recommendations and bringing the most qualified experts before Congress to testify and share their counsel with us is part of the engagement process that is so essential. The Commission has done excellent work. In so many respects, the Commission's recommendations mirror those of the joint bipartisan, bicameral Intelligence Committees' report, after more than a year of intense deliberation, issued early last year. But we recognized then that the Commission work was underway, so there was an understandable waiting for the recommendations. Now we have those recommendations, and we find in so many areas we are on the same wavelength.

We know the questions. Now our search is for the best possible answers. The American people expect and deserve no less.

Ms. Harman?

Ms. *Harman.* Thank you, Mr. Chairman.

It is nice to see such strong media interest in our hearing, but something tells me that you did not come here for an illuminating discussion about today's hearing topic, "The Sufficiency of Time, Attention, and Legal Authorities." No, we know what brings us together today.

First, we are here to listen and learn from two American heroes: 9/11 Commission Chairman Tom Kean and Vice Chairman, our former colleague, Lee Hamilton. I want to welcome them to our committee and personally commit that I will do all I can to see that their excellent recommendations are enacted into law. We look forward to your testimony.

But, second, I know many of you came here today because of President Bush's announcement yesterday that he intends to appoint Congressman Porter Goss as CIA Director. This is a bittersweet moment. It is the first hearing in 8 years in which Porter Goss will not serve as our chairman. Congressman Goss and I certainly have had occasional differences, but we have also had many good and productive times. Always we have shared an unyielding commitment to supporting the talented women and men of our intelligence

community, and I look forward to sharing that same commitment with our next Chair, whoever she may be. Jo Ann Davis, welcome.

[Laughter.]

Ms. *Harman.* My sincere hope is that the confirmation hearings on Congressman Goss will not deter us from our priority task, which is how to create one National Intelligence Director with real authority to manage all 15 intelligence agencies. The country is waiting for the President to demonstrate that he is truly committed to the 9/11 Commission recommendations. In announcing Mr. Goss' nomination yesterday, I believe he missed an opportunity to offer strong support for implementing the 9/11 Commission recommendations, and I am concerned that some, even some on this committee, are advocating a go-slow approach.

The recommendations brought to us by Chairman Kean and Vice Chairman Hamilton have not--I repeat, have not been a rush to judgment. For starters, the idea of splitting the duties of the CIA Director and the DCI has been around since 1955, when the Hoover Commission recommended that the DCI role be separated from the CIA Director role.

In 1978, Congress considered legislation to establish a National Intelligence Director. At that time there were some who feared that the legislation would strip authority from the Pentagon, and the legislation died.

Does that sound familiar?

Congress considered this issue again in 1992, but, again, that effort stalled when Vice President Cheney, who was Secretary of Defense at the time, recommended that President Bush 41 veto the legislation. Again, the bill died. But the idea did not.

Three years ago, as has been widely reported, Chairman Brent Scowcroft recommended the creation of a National Intelligence Director with authority to manage the entire intelligence community. But this recommendation was never acted upon.

Eighteen months ago, the joint congressional inquiry into 9/11 completed a year-long investigation that included 23 hearings. The number one recommendation of our bipartisan inquiry was the creation of a National Intelligence Director. Several members of this committee served on that inquiry and joined in that unanimous recommendation. Yet, oddly, some still warn that such a proposal would be a rush to judgment.

Now we have the 9/11 Commission report, the unanimous, bipartisan report issued under the able guidance of our two witnesses this morning. As I believe our witnesses will attest, the Commission did not rush to anything. It carefully reviewed 2.5 million pages of documents, interviewed, 1,200 individuals in 10 countries, held 19 days of hearings, and took public testimony from 160 witnesses.

And, again, this bipartisan Commission, like the others before it, recommended the creation of a National Intelligence Director and other critical reforms.

Last week, Congressman Goss said that this committee has held 62 hearings this year. At least 12 on my count were directly related to issues that are the subjects of our hearings in August. As I pointed out at our last hearing, we have two pieces of legislation--H.R. 4104, introduced by all of us on this side of the aisle in April, and H.R. 4584, introduced by the majority in June--that have been languishing in our committee for months.

Let's not forget what happened with the PATRIOT Act. I voted for the PATRIOT Act and believe that a number of its reforms were long overdue. The PATRIOT Act was passed 7 weeks--repeat, 7 weeks--after 9/11 with little debate. So here is the math. Seven weeks, that is not a rush to judgment. Three years, two bipartisan Commissions, 35 hearings, that is a rush to judgment.

It is not a rush to judgment to fix gaps 3 years after 9/11 with bipartisan ideas that have been debated for decades.

One month from today, Mr. Chairman, will be the third anniversary of 9/11. Three years is ample time for Congress to act. And the time to act is now.

Thank you.

Mr. *Boehlert.* Thank you very much, Ms. Harman.

For our first panel today, we are honored to have Chairman Thomas H. Kean and Vice Chairman Lee H. Hamilton of the 9/11 Commission. Governor Kean served very ably as the chief executive of New Jersey and is currently the President of Drew University. Mr. Hamilton is a former Member of Congress--not just a former Member, a Member who served with exceptional distinction--where he served as a member of this committee. He is currently the President and Director of the Woodrow Wilson International Center for Scholars.

I want to thank both of you gentlemen for the exceptional service you have provided to the Nation and for being facilitators and counselors to this committee as we engage in our very important deliberations. We are not going to be constrained by artificial time limits. What you have to say is too important to ask you to summarize in 300 seconds or less, which we usually do as committee Chairs. But I want you to be mindful of the fact that we do want to have a dialogue with you, and there will be a lot of give and take, hopefully, that will prove to be productive.

So with that, Governor Kean, you are up first.

STATEMENTS OF THE HON. THOMAS KEAN, CHAIRMAN OF THE 9/11 COMMISSION, AND THE HON. LEE HAMILTON, VICE CHAIRMAN OF THE 9/11 COMMISSION

Mr. *Kean.* Thank you very, very much. Thank you for your statement. Chairman Boehlert, thank you very much for your statement. We appreciate very much being here today. Thank you very much to the Ranking Member for your statement. Distinguished members of the House Permanent Select Committee on Intelligence, we are honored to appear before you today. It would be wrong if I didn't say to former Chairman Goss congratulations to you. We wish you well. There is probably--in this world of ours we live in, there probably isn't a more difficult job than the one you may be undertaking, so we wish you all the best.

We want to thank all of you and the leadership of the House of Representatives for the prompt consideration you are giving the recommendations of the Commission. We are very grateful to you and, of course, grateful to the leadership of this House.

The Commission's findings and recommendations were, as you know, strongly endorsed by all the Commissioners--five Republicans, five Democrats. We share a unity of purpose. We call upon Congress and the administration to display that

same spirit of bipartisanship as we collectively seek to make our country and all Americans safer and more secure.

Our report closely examines how the executive branch and Congress responded to the terror threats before 9/11. We point out some positive actions, and we definitely have some criticisms. We do speak, as you know, about congressional oversight.

Mr. Chairman, we want to make it clear to you, former Chairman Goss, to the Ranking Member, that our criticisms relate to the system and not to any person. There are many, many patriots in the Congress as well as in the executive branch. Mr. Chairman, we recognize and commend you and certainly former Chairman Goss for your years of dedicated and effective service. We commend your hard work and leadership and that of the Ranking Member, your colleagues, and the committee staff in our common enterprise of working to make America safer and more secure. Oversight of 15 agencies is exceptionally challenging. Our recommendations are intended to strengthen this committee, streamline the community, and, therefore, we hope to really strengthen oversight.

Indeed, Chairman Goss, the bill that you have authored, the "Directing Community Integration Act," and Representative Harman's bill, the "Intelligence Transformation Act of 2004," tackle the tough issues of intelligence reform. And as

Commissioners, we looked at those two bills; we see considerable merit in both bills. Our own recommendations build on sound elements from both your respective approaches.

We understand that the topic of today's hearing is the Commission's findings and recommendations regarding the sufficiency of time, attention, and legal authorities focused on the terrorist threat before the attacks of September 11, 2001. These issues relate to the broader management problem of how the top leaders of the Government set priorities and allocate resources. It may be useful to illustrate the problem by examining the CIA, since before 9/11 this agency's role was so central in the Government's counterterrorism efforts.

Some of our key findings in this regard are presented in Chapter 11 of our report. In that chapter, we report how, on December 4, 1998, DCI Tenet issued a directive regarding al Qaeda to several senior CIA officials and his deputy for community management. What he stated in that directive was: "We are at war. I want no resources or people spared in this effort, either inside CIA or in the community."

Now, this was a particularly dramatic declaration from a DCI who, we found, was sharply focused on the threat we faced from bin Laden and from al Qaeda. And no question he cared passionately about defending the country against that threat. He and many other Government officials devoted enormous time,

attention, and energy trying to do just that. Yet, there he was issuing this very dramatic call to action. The memorandum had little overall effect. It did not mobilize the CIA. It did not mobilize the intelligence community. We wanted to know what the NSA director thought, and he believed the memo applied only to the CIA, not the NSA. CIA officials thought it was intended for the rest of the intelligence community, given that they thought they were already doing everything they could.

In other words, one of the most important officials in the United States Government declared war, and people either didn't know he had said anything or did absolutely nothing that they weren't doing already.

Now, if you look at that episode, we believe it indicates some of the limitations of the Director of Central Intelligence's authority over the direction and priorities of the intelligence community, especially the elements within the Department of Defense. The DCI has to direct agencies and yet he can't control them. He doesn't receive an appropriation for their activities. Therefore, he has no control over their purse strings. He has little insight into how they spend their resources. Congress attempted to strengthen the DCI's authority in 1996 by creating the positions of deputy DCI for community management and assistant DCI for collection, analysis and production, and

administration. But the authority of these positions is limited, and the vision of central management obviously has not yet been realized.

Let me say a word about the CIA's role specifically. We have pointed out some of the mistakes the agency made. It is also important to note that the 9/11 Commission explicitly found that no agency before 9/11 did more to protect the country from the al Qaeda danger. We are not on this Commission in the blame game. Our goals is simply to make the system stronger and make the system better. And we have at the moment, all of us, a historic opportunity to do that.

Some of the saddest aspects of the 9/11 story are the outstanding efforts of so many individual officials straining, often without much success, against the boundaries of the possible. As we say in the report: "Good people can overcome bad structures. But they shouldn't have to." Some of our major recommendations seek to address the problem of authority.

As part of the 9/11 story, we spent a considerable time looking at the performance of the intelligence community. We identified at least six major problems confronting the intelligence community that became apparent on 9/11 and still continue today. Every one of our findings comes out of our studies of 9/11. Everything we talk about we can relate back to the facts of that particular tragedy.

To begin with, there are major structural barriers to the performance of joint intelligence work. National intelligence is still organized around the collection disciplines of the home agencies, not the joint mission. The importance of integrated, all-source analysis cannot be overstated. Without it, we will never connect the dots that we are talking about. We will never be able to do that.

Second, there is a lack of common standards and practices across the foreign-domestic divide for the collection, processing, reporting, analyzing, and certainly the sharing of intelligence.

Third, there is divided management of national intelligence capabilities between the Director of Central Intelligence and the Defense Department.

Fourth, the Director of Central Intelligence has a weak capacity to set priorities and move funds when he needs to and other resources.

Fifth, the Director of Central Intelligence now has at least three jobs: he has to run the CIA, he has to run the intelligence community, and he has to serve as the President's chief intelligence adviser. Now, as we have looked at this as a Commission, we don't believe any one individual can perform all three functions.

Finally, the intelligence community is too complex and, frankly, too secret. Its 15 agencies are governed by arcane

rules, and all of its money and most of its work is shielded from any kind of public scrutiny.

We come to the recommendation of a National Intelligence Director not because we want to create some new "czar" or some sort or some new layer of bureaucracy atop the existing bureaucracy. We come to the recommendation because we see it as the only way to effect what we believe is necessary, and that is a total and complete transformation of the way the intelligence community does business.

We believe that the intelligence community needs joint analysis, joint collection, and joint management. It needs a wholesale reform, and we believe it ought to be modeled on the Goldwater-Nichols reforms. The collection agencies should have the same mission as the Armed Services do: they should organize, train, and equip their personnel. Those intelligence professionals, in turn, should be assigned to unified joint commands or, in the language of the intelligence community, "National Intelligence Centers." A national intelligence center on weapons of mass destruction and proliferation, for example, would bring together the imagery, the signals, and the human intelligence specialists, both collects and analysts, who would work together jointly on behalf of whatever mission they are undertaking. All the resources of the community could be brought to bear together

on the key intelligence issues as identified by the National Intelligence Director.

We believe you cannot get the necessary transformation of the intelligence community, you can't smash the stovepipes, create joint mission centers, unless you have at the stop the National Intelligence Director.

The National Intelligence Director needs authority over all intelligence community elements. That includes authority over personnel, over information technology, and over security. Appropriations for intelligence should come to him, and he should have the authority to reprogram funds within and between intelligence agencies.

The National Intelligence Director would create and then oversee the joint work done by the intelligence centers. We think, by the way, he should have really a small staff, about the size perhaps of the current community management staff.

He would not be like so many figures that have been set up in the past, so many so-called czars who get the title but it didn't work very well because they have no meaningful authority. The National Intelligence Director would have real authority, as we envision it. He will control the national intelligence program purse strings. He will have hire and fire authority over agency heads in the intelligence community. He will control the IT. He will have real troops

at the National Counterterrorism Center and all the National Intelligence Centers because they all would report to him.

We concluded that the intelligence community just isn't going to get its job done unless there is once and for all and finally somebody in charge.

We believe our recommendations will strengthen the CIA. The CIA will benefit from the full-time attention by its Director. His plate will be full with several challenges. As we know, the Director of the CIA will have to rebuild human intelligence, language programs, has got to recruit a much more diverse workforce than he has right now. The CIA Director can make a real difference in those areas. He has neither the time nor the ability, given his current authorities, to exercise authority over the intelligence community. These matters are a full-time job, and that full-time job ought to go to the National Intelligence Director.

Our report details many unexploited opportunities. We had chances to disrupt that 9/11 plot, no question about it. We failed to share information, we failed to watchlist, we failed to connect the dots. One of the great illustrations of that is the story of Hazmi and Mihdhar. We identified them. We had them as bad guys. We found them at a meeting in Kuala Lumpur. And the CIA was on top of them. But something happened between stations, and somehow when they

went on to Bangkok, we just lost track of them, although we saw them listed as real bad guys.

Well, because of the lack of coordination, the FBI wasn't told that they had come to the United States. They came to the United States. They were in California. They were living quite openly in California under their own names. Domestic officials were not informed until August 2001 that Hazmi and Mihdhar were in the United States. And then they started pursuing leads, but that was late August. That was not in enough time to prevent September 11th.

We detail other examples of this kind of lack of sharing of information and the consequences in our report. We found that no one was really in charge of managing the case. No one was able to draw relevant intelligence from anywhere within the Government. No one was able to assign responsibilities across agencies, foreign and domestic. No one was able to track progress and quickly bring obstacles up to the level where they could be resolved. Simply, there was no quarterback.

No one was calling the plays. No one was assigning roles so that government agencies could work together and really execute as a team.

We believe the solution to this problem rest with the creation of a new institution, the National Counterterrorism Center. We believe, as Secretary Rumsfeld told us, that each

of the agencies need, and I am quoting now, "to give up some of their existing turf and authority in exchange for a stronger, faster, more efficient government with joint effort." We therefore propose a civilian-led unified joint command for counterterrorism. It would combine intelligence, and that is what the military I gather calls the J-2 function; operational planning, and that is what the military calls the J-3 function; but put those all together in one agency, keeping overall policy direction where it belongs, in the hands of the President and National Security Council.

Again, we consciously and deliberately draw on the military example, the Goldwater-Nichols model. We can and should learn--because that was a very successful reform in the military two decades ago. We want all the government agencies, which play a role in counterterrorism to work together in a unified command. See, they have to be one team to really take on international terrorism.

The National Counterterrorism Center would build on the existing Terrorist Threat Integration Center, and replaced it, and other terrorism fusion centers within the government. Then we would have one unified center.

The NCTC would have tasking authority on counterterrorism for all collection and analysis across the government, right across that foreign and domestic divide. It would be in charge of warning.

The NCTC would coordinate antiterrorist operations across our government, but individual agencies would still execute operations within their competencies.

The NCTC's chief would have control over the personnel assigned to the center, and must have the right to concur in the choice of personnel to lead the operating entities of the departments and agencies focused on counterterrorism, specifically, the top counterterrorism officials at the CIA, FBI, Defense and State Departments. The NCTC chief would report to the National Intelligence Director.

These are new, and we recognize very difficult ideas, particularly for those of us who have been schooled in the government of the 20th century. We won the Second World War. We won the Cold War because of the great departments of government, the State Department, the Defense Department, the CIA and the FBI, organized, but they were organized against clear nation state adversaries.

Today we face a transnational threat. It respects no boundaries. It makes no distinction between foreign and domestic. The enemy is resourceful, they are flexible, and they are disciplined.

We cannot succeed against terrorism by Islamic extremist groups unless we use all the elements of national power. We have got to get together military power, diplomacy, intelligence, covert action, law enforcement, economic

policy, foreign aid, public diplomacy, and of course homeland defense. If we favor one tool while neglecting others, we are going to leave ourselves vulnerable and we are going to weaken our overall national effort. By the way, this is not just our view, it is the view of every policymaker with whom we spoke.

We need a system of management that is as flexible and resourceful as the enemy, a system that can bring all the resources of government to bear on the problem and that can change and respond even as the threat changes. We need a model of government that meets the needs of the 21st century. We believe the National Counterterrorism Center, the National Intelligence Director will meet that very difficult test.

Now, I ask my mentor, my teacher and my friend, Lee Hamilton, to take over.

Mr. *Hamilton.* Thank you very much, Chairman Kean. Let me say first of all what a privilege it has been for me to work with Governor Kean. He has been a superb chairman. He was appointed by the President, and deserves a lion's share of the credit for the Commission's work.

I want to also say that the statements by the Chairman Boehlert and ranking member I appreciated very much. They were exceedingly well done.

I want to say to my good friend, Porter Goss, a word of congratulations. Porter, he has led this committee very

skillfully, and I am thinking that you have led it longer than any chairman, but I may not be right about that. Is that correct? Eddie Boland led it for a long time.

Mr. *Goss.* That is such a discouraging observation, I have no way to answer it, and do not know if it is accurate.

[Laughter.]

Mr. *Hamilton.* So we have to get the record straight on that somewhere down the line, but the only one that would come close would be Eddie Boland some years ago.

So I wish him well, and I just want to say that all of us should recognize that he takes the helm of this great agency of government at an exceedingly challenging time, when the intelligence community has been under stress, and a very difficult period, and we also recognize the importance to the nation of the work that that agency does, so we wish him godspeed in all of his work.

What we learned in the 9/11 story is that the United States Government has access to a vast amount of information, that the government has weak systems for processing and using the information it possesses, especially across agency lines.

One of the sentences Tom read to you a moment ago reveals a lot. He indicated that the organization of the intelligence community is built around how you collect information. Just think about that for a moment. That does not make a lot of sense. You ought to organize around

missions, around responsibilities, tasks, not the manner in which you collect information. And that was appropriate I guess at one time, but I do not think it fits where we should be today.

Agencies live by the need to know rule, and they refuse to share. Each agency has its own computer system, its own security practices, also outgrowths of the Cold War. In the 9/11 story we came to understand the huge cost of failure to share information across agency boundaries. Yet, in the current practices of government, security practices encourage over-classification. We understand the critical importance of protecting sources and methods, but we also believe that it is important to share information, and we really believe that the primary cause of 9/11, or an important cause I should say, was that we did not share information.

There are plenty of penalties today for unauthorized disclosure. There are no penalties for not sharing information.

We believe that information procedures across the government need to be changed to provide incentives for sharing. We believe the President needs to lead a government-wide effort to bring the major national security institutions into the information revolution. The President needs to lead the way and coordinate the resolution of the

legal, the policy and the technical issues across agency lines so that information can be shared.

The model is a decentralized network. Agencies would still have their own databases, but these databases would be searchable across agency lines. In this system secrets are protected through the design of the network that controls access to data, not access to the network. The point here is that no single agency can do this alone. One agency can modernize its stovepipe, but cannot design a system to replace it. Only presidential leadership can develop the necessary government-wide concepts and standards.

The other major reform we recommend to you relates to the FBI. We do not support the creation of a new domestic intelligence agency. We believe creating such an agency is too risky to civil liberties, would take too long, cost too much money, and sever the highly-useful link between the criminal and the counterterrorism work of the FBI. We believe Director Mueller, who spent a lot of time with the Commission, incidentally, and we are grateful for that, is undertaking important reforms. We believe he is moving in the right direction. We believe he still has a long way to go, as I think he would acknowledge. Change in the field offices will take time and a lot of attention from headquarters.

What is important at this time is strengthening and institutionalizing the FBI reforms, and that is what we recommend. What the FBI needs is a specialized and integrated national security workforce, agents, analysts, linguists, surveillance specialists. These specialists need to be recruited, trained, rewarded, retained, to ensure the development of an institutional culture with deep expertise, not just in law enforcement which they already have, but deep expertise in intelligence and national security.

We believe our other proposals, mentioned by Tom, will strengthen and institutionalize the FBI's counterterrorism commitment, and the NCTC and the NID would have powerful control over the leadership and budgets of the Counterterrorism Division and Office of Intelligence respectively, and they would be powerful forces pressing the FBI to continue the reforms Director Mueller has instituted.

Now let me take up some of the criticisms that have been made of our report. One fairly constant criticism is that we have, because we have put a lot of power into this National Intelligence Director, we will stifle healthy dissent and competitive analysis. That is a very important concept that all of us would agree to. You have to have competitive analysis and intelligence. But we disagree that we stifle that dissent.

We begin with the observation that no one should be satisfied with the status quo. No one can claim that the current structure fosters competitive analysis. Take a look at the Senate report the other day. The whole report focused on groupthink. That is a very strong criticism of the intelligence community and the lack of competitive analysis. We think the current system encourages groupthink because the national analyses are in the most cases produced by one group of analysts at the CIA. We do not think there is a truly national intelligence center.

I do not think I have to tell you on this panel how many times other analytic perspectives have gotten squeezed out. We deserve better than having the DIA or the INR and other important perspectives on national issues on the periphery. If you like groupthink, then I think you would support the status quo.

We believe our proposal will both strengthen analysis and enhance competitive analysis. Our proposal creates genuine national centers under the National Intelligence Director, not under the head of the CIA or organized by the CIA. The NIA, the NSA and other analysts would sit right in the middle of the process. Their views would have to be reckoned with in developing the core intelligence products, and their views would not be shunted aside.

Arguments about competitive analysis sound an awful lot like the arguments against organizing a joint Chiefs of Staff in the 1940s and the Goldwater-Nichols Act in the 1980s. The argument then was something like healthy competition between the services serves the nation. That argument was rejected with Goldwater-Nichols. And who wants to turn the clock back today? Our military is more capable, more efficient, more effective because of joint commands, because of them our military performs better. So too will the intelligence community through joint mission centers. You cannot have joint mission centers if you do not have a National Intelligence Director in charge that has the ability to create them.

I also want to point out that under our proposal, not all analysis will fall under the Director. The State, Treasury, Energy, Army, Navy, Air Force, Marine Corps intelligence units, we make no change there. They would still report to their cabinet secretaries and their service chiefs. They would be independent and able to access all the same data as the national intelligence centers operating under the NID.

We also put a heavy stress on open source information and the development of a new office of agency to collect and analyze solely open source information. There may be a tendency in the intelligence community to kind of look with

some disdain upon open sources, but open sources are enormously important, and if you have people that are studying in great detail a country and the developments in a country that is commonly available in the news media, it is a tremendous source of competitive analysis.

If you look back on 9/11 we often say, well, maybe President Clinton or President Bush was responsible; they did not see the signals and so forth, but the fact of the matter is we all missed the signals. Almost all of the attacks on the United States were widely publicized over a period of more than a decade before 9/11 and we simply missed it. We did not do good open source analysis, in other words.

So to keep the bright line between policy and intelligence, there is no substitute for the integrity of the person selected for the job, no substitute for probing questions by policymakers, no substitute for rigorous congressional oversight.

Another worry often voiced about this reform is that it would remove the Secretary of Defense from direct and immediate control over national intelligence assets that are critical to our war fighters. That too is a legitimate concern.

This is precisely why we believe that one of the National Intelligence Director's deputies must be the Defense Department's Under Secretary for Intelligence. It is

precisely his job to balance the great but not limitless intelligence resources of the United States to satisfy the needs of the war fighter and the national policymaker.

This morning I read in the Washington Post a quote from General Brown in his testimony yesterday after we had testified before the Armed Services Committee, and I want to read that quote. He said, "I want to make sure that every piece of intelligence that's available is instantly available to my guy on the ground, wherever he is, or my guy in the air, or out on a boat. I would not want any impediments."

We would have no disagreement with that statement, none. But let's flip it. Insert in the place of the war maker, the American citizen. We do not want any impediment in the way of good intelligence to protect the American citizen, and we believe that what happened on 9/11 occurred because we had structurally a system in place that did not permit the sharing of information, and because that sharing of information did not take place, American citizens were not afforded the kind of protection they deserve.

We want to protect the war maker, and what the General said--and incidentally, General Brown was exceedingly helpful to us in the Commission's work and understanding a lot of problems; we spent quite a bit of time with him--we want to protect that war maker, but we also want to protect the American citizen, and that is the problem that we are

addressing here, where you have to balance the needs here of the warfighter and the national policymaker, and it is not an easy thing to do, as you all very well know.

We believe the intelligence community made considerable progress since the 1991 Gulf War in meeting the needs of the warfighter. Now it is the time to harness this same dedication and effort so that the National Intelligence Director can better meet the needs of the national policymaker and also provide for the military.

It is unimaginable to us that the National Intelligence Director would not give support to the warfighter, to our deployed forces, a high if not highest priority.

Let me be clear. The warfighter must have tactical intelligence support. Our report takes no issue with tactical support. In fact we believe this clear line needs to be drawn. All tactical intelligence programs should remain with the military, and strategic and national intelligence with the National Intelligence Director.

That line, as it was pointed out to me yesterday in the Armed Services Committee, is not always as bright as I say here, and I think Mr. Gibbons pointed that out to me, among others, and I think they are correct. Where you get into difficulty here is in deciding how you allocate the budgets and that gets to be a very technical matter and our

Commission does not pretend to have the kind of expertise to deal with that.

One other thing. Many have taken issue with our proposal to put the National Intelligence Director as part of the Executive Office of the President. We wrestled with this. This is not an easy question, and I do not know that we have it exactly right.

Our intent with this recommendation was to make the NID, the National Intelligence Director, as well as the National Counterterrorism Center, powerful forces in government. We believe that the agencies will work together effectively on terrorism which is our most important national security issue, only if they are working directly for the President.

The problem that arises here is that some people believe the closer the NID Director is to the President physically in the Executive Office Building, the higher the risk of politicalization. I do not want to denigrate in any way this problem of politicalization of intelligence. We all know how important it is. We all would favor a sharp division between politics and policy on the one hand and intelligence on the other. We all have enough experience in government to know that that line is not always firm, that they clearly merge from time to time, but we do not want to encourage it.

We think that the dangers arise from the functions and from the relationships that go with the job, regardless of

where you are situated. You can be in Langley. You can be in the Executive Office Building. You can in my home state of Indiana. It does not matter. It is the relationships and the functions that create the possibility of politicalization not the geographical location. And we believe that given the difficulty of developing counterterrorism policy--Tom referred to this--where you have to balance and integrate all the elements of policy, that is, the military, the covert action, the diplomacy, the law enforcement, the public diplomacy and all the rest of it.

You can only do that in this system of government of ours if the President is in charge. You all know how difficult it is to get agencies to work with one another, to coordinate, to cooperate. I hear the words "interagency task force" over and over and over again. It has to be done in a government of our complexity, but it is terribly difficult to make things happen with an interagency task force.

The way you do make things happen in this government, I believe, is with the authority of the President. The President has to have the authority, and he is the one that can move various agencies, and that is what you have to do if you are putting together an effective counterterrorism policy.

We do not want to get fixated on these boxes that we have drawn here. We all understand the limitations of

organizational charts. The authorities are much more important than the boxes are from our point of view. One question you have to ask yourself is if you do not put a national counterterrorism center in the Executive Office Building, where do you put it? Do you put it out here as a freestanding agency? I do not know what the precedent is for that. How many freestanding agencies do we have in the government anyway? I cannot think of any. Do you put it down in the CIA or the DOD? I do not think you do, not if you have to balance and integrate all of these various tools of American foreign policy.

So where do you put it if you do not put it in the Executive Office Building? We genuinely wrestled with that problem and we came up with the idea it ought to be in the Executive Office Building.

Let me close. We believe reforms in the Executive Branch together with reforms in the Congress, as well as many recommendations we did not present this morning, can make a significant difference in making America safer and more secure. We do not put before you a package that has to be voted up or down. When we say we have a package of recommendations, what we mean is that in order to deal with counterterrorism, you cannot look at it just as a problem of structuring the intelligence community or just as a problem of the United States Treasury Department going after funding

or the FBI going after law enforcement. You have to look at all of the recommendations in order to have a counterterrorism policy that is effective, and that includes foreign policy and diplomacy as well.

We believe that the reforms of the Executive Branch structures, in the absence of implementing the other reforms and recommendations in our report, will have a significantly less value than the value of these reforms as a complete package. In short, while we welcome each step toward implementation of our recommendations, no one should be mistaken in believing that solving structural problems in the Executive Branch addresses completely or even satisfactorily the current terrorist threat we face.

We are extremely pleased by the response we have had from the Congress. Tom and I have commented again and again how much we appreciate the members of Congress coming back here in August with all that you have to do with the campaign and finishing up the work of the Congress, but you have just been exceptional, and the committee chairmen have been exceptional in having these hearings in the month of August, and the leadership, of course, in both houses. We deeply appreciate that.

We have appreciated and welcomed the President's support for a National Intelligence Director and for a National

Counterterrorism Center. We have appreciated the support that Senator Kerry has mentioned for these things as well.

We do not pretend to have everything written in granite in our recommendations, and we look forward to working with you on the recommendations.

Thank you very much, Mr. Chairman.

[The statement of Mr. Kean and Mr. Hamilton follows:]

********** INSERT **********

Mr. *Boehlert.* Thank you very much, Governor Kean and Congressman Hamilton, appreciate your testimony.

You know, Governor Kean, I quote you often in a different context. There have been a number of us that have been concerned about something called acid rain, and I am mindful that when you were governor, you said, if we all do is continue to study the problem, we will end up with the best documented environmental disaster in history. Fortunately, we stopped studying and started acting, and the first President Bush signed into law legislation launching the nation's war on acid rain.

But we have had study after study dating back to the second Hoover Commission in 1955. There have been at least 15 commissioned studies, most of them on the shelf gathering dust. The time for study is over. The time for action is now. So I applaud what you have done on a bipartisan basis to present your proposals to us. As I indicated in my opening statement, they mirror in many respects the recommendations made by the joint inquiry conducted by the House and Senate, Republicans and Democrats alike.

We need someone in charge. There is no doubt about it. We are spending so much time arguing about what we call the new person, whether it should be an NID or a DNI or enhanced DCI, and it is not what we call the person that counts so

much, it is what we demand of the person, and the authority we give the person so that we can have accountability.

And we are wondering whether it should be in the White House or out of the White House. It is not important where the person sits. It is important what the person does.

But I noticed--and forgive me for going something back that my colleagues will appreciate it is one of my favorites--in your very comprehensive introductions, you did not mention something I think is one of our greatest deficiencies, and that is in the area of human intelligence with a lack of language proficiency and cultural understanding. We can have a new DNI or NID or enhanced Director of Central Intelligence. We can put him in or out of the White House, but if we do not have our eyes and ears on the ground around the world, shame on us, we do not get the intelligence we need for this new structure to make the decisions.

Would both of you, please, address the need for enhanced human investment.

Mr. *Kean.* Well, there is no question that you are absolutely right, Mr. Chairman. I mentioned it a bit when I said I thought that was one of the big jobs of the new Director of CIA. When we heard testimony from the last Director, he talked about human intelligence, and he talked

about the need to rebuild the agency, and we said, "How long will that take?"

And he said, "Five years."

Now, I am not sure we have five years in this particular war we are fighting, although we recognize that he might not be all wrong. It is very, very difficult. You have got to train these people. You have got to recruit them. We have got to increase the diversity of the CIA in a major way if we are going to be able to move in these areas of the world that we are not accustomed to moving in.

It is an enormously difficult job, but we have got to do it. We have made great advances in technology. We are very happy with the satellites, obviously and their performance, with the Predator, with all of these gadgets that have been very, very useful to us. And God bless them, they are wonderful, but sort of people on the ground penetrating these groups, understanding what they are doing, giving us back information, nothing can substitute for that, and we have fallen behind in that area.

So, in my own opinion, one of the prime jobs of the new Director of Central Intelligence is to rebuild that human intelligence capability and do it in a different way than we ever have before. We are talking about different parts of the world, parts of the world we have never had people in before, languages we have never had experts in before,

expertise we have never required our people to have. It is going to be a tremendous job, but one that is absolutely necessary in this new war. Absolutely right. I could not agree with you more.

Mr. *Hamilton.* Mr. Chairman, I want to point out that the report really does put a lot of emphasis on human intelligence, and it says that the rebuilding the analytic and human intelligence collection capabilities has to be a major focus of the CIA. I said before the Armed Services Committee yesterday that this is not a new problem in our Government. We have been wrestling with developing better human intelligence for as far back as I can remember on the Intelligence Committee, and it is easy to say you have to have more human intelligence. I think every one of us would agree with it. Developing that capability is really difficult.

And what this will lead to, and our friend Porter Goss is going to learn a lot about this, is you have got to have diversity in the CIA. You have to be able to develop people who can penetrate these cells. And that means you cannot take a fellow from Indiana and expect he can learn Arabic or whatever language well enough to penetrate these cells.

Mr. *Boehlert.* Strange coming from me, the temporary chair of this committee, because I also chair the Science Committee, and I am talking about investments in people, in

addition to our investments in technology. But it doesn't serve our intelligence-gathering well if we have satellites in heaven that can read your license plate number in Indiana from 200 miles up in the sky if we don't have people who can penetrate caves in Afghanistan or cells in Baghdad and understand the language and have a sufficient appreciation of the culture that they can also understand the nuances.

We have right now, and this is public information, the largest concentration of operatives we have ever had in any one country at one time, and yet only a small percentage of those operatives--dedicated, courageous, serving the Nation well--have an understanding of the language.

And so I mention that. I notice the report emphasized that, but I would hope, in all of your public presentations, you would emphasize the need because we can have a new Director of National Intelligence, we can put him in the White House or close by, and we can give them a whole bunch of money, but unless we give them people, we are not going to be able to get the information they need in order to make the wisest possible decisions.

Mr. *Hamilton.* Absolutely. We totally agree.

Mr. *Boehlert.* With that, the chair will turn to Ms. Harman.

Ms. *Harman.* Thank you, Mr. Chairman, and thank you to our witnesses for excellent testimony. I want to associate

myself with your question and the answers about the need for increased investment and focus on human intelligence, including language skills. I believe this committee unanimously supports that position, and as is known, we have voted over, and over, and over again to increase the focus and increase the funding for human intelligence.

I wish this were a legislative markup hearing. I think the record you just made is an extremely useful one. And frankly if we had bills before us to mark up, I think based on what you have said, and based on your report, and based on your report and prior reports, we could be doing that today. I wish we were voting today on a number of these restructuring issues.

And in that regard, Mr. Chairman, I would ask unanimous consent to put in the record a side-by-side comparison of H.R. 4104 and the 9/11 Commission recommendations that our staff has prepared just so that it is available to those who might want to look at it.

Mr. *Boehlert.* Without objection, so ordered.

[The side-by-side comparison follows:]

********** COMMITTEE INSERT **********

Ms. *Harman.* Thank you. What it does show is that 4104, which we drafted and introduced in April, is almost identical to your recommendations. We talk about Goldwater-Nichols for the intelligence community, we talk about a unified commander, we talk about a deputy commander who is the Under Secretary of Defense for Intelligence, we talk about changing the need to know to the need to share. We have two differences with your recommendations:

One is we would locate this function outside the Executive Office of the President, and the second is we would give the NID budget reprogramming authority, not budget execution authority.

But I just, as one member here, want to say that I would be enthusiastic to support your version of the legislation should that be the one that the Congress considers. But my view is we need to act now. We have enough information. We have thought about this carefully over 50 years. We need to act now.

I just want to ask you a question in a different area because we all have limited time, and that is about legislative reorganization. I think that Governor Kean's comment that "good people can overcome bad structures, but they shouldn't have to," applies here too. I have said that our oversight is broken. I have called for the legislative business of this committee to be done in public, not in

secret. I have said that the "Gang of Four" concept, which is briefing just the chairman and ranking member of the House and Senate Intelligence Committees on some of the key secrets of our country should be changed. Every member of these committees is qualified to be briefed on those secrets, and every member having more eyes, and every member's eyes, would be more productive in terms of making our oversight robust.

I also believe--I think you do, too--that we need a separate intelligence budget broken out from the defense budget because otherwise, as I think you have pointed out, Congressman Hamilton in the past, the intelligence budget is such a small part of the defense budget that it doesn't get the oversight that it needs.

So my question to both of you is, if you were Speaker Hastert or think positively, at least on my part, Speaker Pelosi, addressing these questions, what would you recommend that the House of Representatives do to make our oversight capability more robust? I know you mention it in your report, but I am asking you for any additional thoughts, both of you.

Mr. *Kean.* Well, what we talk about is strengthening this committee, giving it more authority. We believe, to have the budget authority for the intelligence departments, which the press has said is about $40 billion, to have that simply part of the defense appropriation, and a very small--

about a tenth of it, I guess--it doesn't get much attention, and it is much too important, one, not to get any attention and, secondly, for you to have authority, but not control, in a sense, in this committee, by not having any budget authority, doesn't give you the true oversight that we believe you need.

So we have recommendations in the report that would have a number of choices, but they all come down to the same thing: strengthening the oversight so that the intelligence budget is considered very seriously. Under time, we are told the Senate took somewhere between 5 and 10 minutes to consider it last year. That is not acceptable. That is not acceptable. It is much too important in the world we live in. And so the thrust of all our recommendations is to strengthen the committee, give it budget oversight, combine the committees, if necessary. You know more about this than I do.

Mr. *Hamilton.* I think we want to emphasize that in our calling for more robust oversight, we really do not mean to be critical of this committee or the Senate committee. I think, under the leadership of this committee and the chairman of the this committee, likewise in the Senate, the oversight has been about as good as it can be given your power. And individual members have done wonderful work in oversight. So let us put that aside.

What we are saying is that, to be very blunt about it, unless you have the power of the purse, unless you can control the money, you are not going to get effective oversight because the CIA is--again, I think it was you, Mr. Gibbons, mentioned yesterday--jacks you around. Don't ask me to define "jacks you around" exactly.

[Laughter.]

Mr. *Hamilton.* But plays you against the Appropriations Committee. And they know that that is where the power is. So we came up with this radical idea of merging the authorizing and appropriating committee.

Incidently, historically, the Congress didn't have authorizing and appropriating committees. They only had one committee, and some many years ago they decided to go authorizing and appropriating. There are many reasons for that. But we think in this instance we are not making an across-the-board recommendation. We are talking just about the intelligence community here. We want you, as Tom has said, to be strengthened, and we think the way to do that is to give you budget power.

These bureaucrats are very good people, they are very patriotic people, they are very able people, but they understand power, and power flows from money, and that is what we recommend.

Mr. *Boehlert.* Thank you very much.

And I would observe the gentlelady's time has expired. Most Americans probably think the Director of Central Intelligence Agency is in charge of intelligence, when he only has authority for 15 percent of the budget. When 85 percent of the budget is outside his area of authority, I would suggest that person is not really in charge.

The gentleman from Nevada, Mr. Gibbons?

Mr. *Gibbons.* Thank you very much, Mr. Chairman. And, Governor Kean and Congressman Hamilton, welcome back to Congress. We spent a wonderful 5 hours yesterday before each other discussing this very same issue, and I am always impressed, each time I hear you speak, about the level of dedication that each of you put into the recommendations and the work you have done on this committee, and I applaud you for that dedication tremendously.

My question, as our responsibility is, is to drill down into some of the recommendations, to drill down and work the details because I think you would agree that we ought not just take carte blanche and enact carte blanche recommendations without looking at them closely.

And as you know yesterday, as we talked with the Armed Services Committee, there are some considerations that we want to look at and maybe tweak or refine any recommendation that would affect our war-fighting capability out there, and that is where I want to focus on today because your

recommendation to put the Defense Department's Under Secretary of Intelligence as a Deputy Director under the NID puts him in a dual-hat position, allows for him to have two superiors, two different budgets.

And my question would be do you believe that under this suggestion that he could execute the responsibilities for the budget on intelligence when he has national system responsibility, and under the TIARA and JMIP portions are tactical responsibilities for intelligence, do you really believe that with that sort of disparity--not disparity--but dual responsibility, that he can execute both of those effectively knowing the power of Secretary of Defense and the lesser power perhaps in this case of a National Intelligence Director?

What are your thoughts?

Mr. *Hamilton.* Well my thought is it has to be done somewhere, and someone has to do it because right at the heart of the problem here is a balance, a balance between tactical, and national and strategic. And it is not an easy line to draw at all, but someone somewhere in the Government has to balance those forces, and I don't know where better to do it than in an organization where you have both sides presented, as it were.

You are exactly right to say that there is a certain ambiguity in this. He is, after all, an employee of the

Secretary of Defense, in a sense. He reports to the Secretary of Defense. In this position, he would be Deputy National Intelligence Director dealing with defense intelligence and would have the responsibility of reporting up to the National Intelligence Director and the President. So there is a dual-hatting function here. I don't know how you avoid that, and it is at this point where you must balance these needs of the Government for strategic and tactical.

I would expect this person to be exceedingly sympathetic to the tactical demands of the war-fighter and should be. That is his job in a sense. He sits there as the representative of the Defense Department. So the only thing I can say, I know it is a tough job. It would be among the tougher jobs in the Government. It is an essential job to get the balance.

Mr. *Gibbons.* Let me just say in the brief 30 seconds that I have left that my mother was a very bright person, and she told me that change is not difficult. What is difficult is letting go of the old way we do things. And in this case, I think we are going to find that this change is difficult because it changes the way we used to do things and the perception of lines of authority and budget authority. And when you have two different budget authorities, two different people to respond to and report to, I believe that you have

created a very difficult tension in a single office that has enormous responsibility between national assets and our tactical assets between intelligence and the Department of Defense. And in order to get this right, I think not only do you have to have the right person, but you have to have the right concept and the right structure in order to allow it to work.

Gentlemen, again, thank you so much for your presence here today, and hopefully we will have a chance to ask some more questions to you.

Mr. *Kean.* Mr. Chairman, I might just say I agree it is extraordinarily difficult, but we were not able, as we talked about this at some length, we were not able to find another way to get the kind of coordination that we feel overall is essential to get the job done in intelligence and be willing to listen to other ways to do it, but this was the way they came up with because we couldn't really come up with a better one.

Mr. *Boehlert.* Thank you very much. The gentleman's time is expired.

Mr. *Hamilton.* Mr. Chairman, may I make one further comment on the gentleman's comments?

Mr. *Boehlert.* Mr. Hamilton?

Mr. *Hamilton.* I apologize. It was pointed out to me here that under the system today you have a lot of dual-

hatting. In the NSA, in the NGA and the NRO, you have a situation where they report to the DOD and to the CIA today. And what we recommend here will actually reduce the dual-hatting with the set-up we have. So I think your observation is very insightful and exactly at the point of real tension. There isn't any doubt about that. But it is not unique in our Government today. It is not unique in the intelligence community today.

Mr. *Boehlert.* But are you recommending that the budget authority for the NSA, and NRO, and NGA be under the NID? Excuse me for using all of these alphabets.

Mr. *Hamilton.* Yes. The National Intelligence Director would have the budget authority for three areas: homeland intelligence, defense intelligence and foreign intelligence.

Mr. *Boehlert.* Thank you very much.

The chair recognizes for 5 minutes Mr. Reyes.

Mr. *Reyes.* Thank you, Mr. Chairman. I would like to also add my congratulations to our former chairman, a gentleman I have a lot of respect for, and wish him well. He can always, I think, count on us for support.

Thank you, gentlemen, again, for being here. We spent the better part of the day yesterday together, and, Mr. Chairman, several of us have another hearing going on

downstairs at the same time, so we will be going in and out. So I hope everybody understands.

Mr. *Boehlert.* We won't take this out of the gentleman's time, but as the Commission observed, there are too many committees of the Congress that have a competing interest.

[Laughter.]

Mr. *Reyes.* Well, those of us that are on both the Armed Services and Intelligence consider ourselves blessed that we are, as the Chinese philosopher said, living in very interesting times.

But I wanted to thank you again publicly. If the airport in Dallas is any indication, this book is either being read by everyone that is traveling that I have seen in the last couple of weeks. Several of the stores in the Dallas airport are sold out and are awaiting a new shipment, so you have done a great job in putting this document together.

And I wanted to commend you for taking such a personal strong stand, each one of you. And if you would pass it on to the other Commissioners because I know all 10 of you took a very strong public stance that you were not just going to be another Commission with another report that somebody can refer to in 2 years or 3 years or whatever. So you have made a very important point that the status quo is not working,

that changes have to be made, and most importantly, that we can do better than we have done.

And the last thing is thank you for standing with the families who we all owe a tremendous debt of gratitude because, through their efforts, they have brought us here to a--normally all of us would be in recess, so a number of committees are having hearings because of their insistence and yours as well, so thank you very much for that.

I was struck by the recommendation that you made in your report that--and I want to quote from it--"The CIA Director should emphasize transforming the clandestine service by building its human intelligence capabilities, developing a stronger language program with high standards, and sufficient financial incentives renewing emphasis on recruiting diversity among operations officers so that they can blend more easily in foreign cities."

And I just want to tell you that, at least the last 3 years, we have had a heck of a time in this committee conveying that message. In fact, we took extraordinary steps to have to fence off part of the budget until we get a report back or a plan back from the Agency. And for me, personally, it is particularly frustrating because we conduct our oversight in a closed environment. And so the various intelligence agencies know that stonewalling and stiff-arming can be very effective because there isn't any other type of

accountability--public accountability--except through oversight committees. And I shared with you yesterday the frustration of not having more control over the amount of oversight that we do or the topics that we look at.

But be that as it may, let me ask each one of you to comment on diversity and comment on the recommendations that you've made in this report and again reemphasize this is to give you an opportunity to reemphasize the importance that this committee has recognized, but has had minimal impact, at least at this point.

Mr. *Kean.* Yes, that is a very, very good point. First, I want to say to you and to Congressman Gibbons, I think having to do this two days in a row with us is probably cruel and unusual punishment, but I appreciate your patience.

And I might also say your comment about the Commissioners is very much appreciated. We have a wonderful group of men and women. And just to let you know what they are doing, as we speak, Commissioner Gorelick and Commissioner Fielding are in Boston, Commissioner Lehman is going to Houston and then to Dallas, Commissioner Thompson and Roemer are in Chicago today. Roemer was in Atlanta yesterday. Jim Thompson is in St. Louis tomorrow. Gorton and Ben-Veniste are in Seattle, going on to Los Angeles. So our Commissioners are doing their very best to spread the word, in a sense, about the need and the recommendations.

I couldn't agree with what you say more. We have such a wonderful opportunity now. We have the largest immigration in our history over the last number of years, and wonderful, wonderful new citizens coming into the country from every conceivable background, from countries that most of our citizens don't even know exist, and from every corner of the world. And that gives us a tremendous opportunity to recruit diversely, to get people whose backgrounds, in many cases, are from the areas that we want to know more about, that we want to learn about the culture, and the people, and the ideas, and the language. And as you say, the agencies have not been taking advantage of this up to this point. My hope is they are doing so now. No doubt, they will do so under their new Director from this committee.

But your point is right on. It is a very, in a sense, much easier job than it would have been 20 years ago to recruit diversely, and there is no excuse for not doing it.

Mr. *Boehlert.* Thank you very much. The gentleman's time has expired.

Mr. Cunningham?

Do you have any observations, Mr. Hamilton?

Mr. *Hamilton.* Only that my observation would be that the difficulty on human intelligence is not agreeing on the importance of it. It is in getting the people to do the job.

We are confronting a terrorist movement that spans the world, and just take the country of Indonesia, for example. Indonesia, I think, is the largest Islamic country in the world. They have hundreds of languages in that country. So the challenge for us is to develop human intelligence that can cover the entire span of the globe with all of the different kinds of languages and cultures that that represents, and that is an enormously complicated task. You cannot send an American, who has learned Arabic, to penetrate these cells. They just cannot learn the language that well. You have got to have people, indigenous people.

So I want to emphasize, I do not want to suggest I am not enthusiastic about support for human intelligence, I just want to emphasize the complexity of the job, and diversity is key.

Mr. *Boehlert.* Thank you very much. It is comforting to you, I am sure, as it is to this committee, that the last several classes of recruits have been among the largest and the best qualified. We are not short of dedicated, skilled, intelligent, committed Americans who want to serve in this important area. But quite frankly the community has failed all of us because, year after year, as Ms. Harman indicated, we have placed an emphasis on greater investments in human intelligence, we have placed an emphasis on language capability only to discover that those funds have been

diverted to what have been termed higher priorities. I would suggest that we are never going to have a cadre of language-capable operatives until we make the commitment and follow through on it.

Mr. *Hamilton.* We very much appreciate the leadership of the committee on that point.

Mr. *Boehlert.* Thank you so much.

Mr. Cunningham?

Mr. *Cunningham.* Thank you, Mr. Chairman.

Governor Kean, I don't know you as well, an East Coaster, and I am from San Diego. But Lee Hamilton, when I was in my first term, had been treed several times.

[Laughter.]

Mr. *Cunningham.* And, Lee, I think you have done a good job in this.

I also notice you slipped in Senator Kerry's name. I want to let you know that we had three panels last week. Every member of that panel disagreed that all the recommendations should be immediately implemented, and I do too. I want you to know that. And I think that there are some concerns.

I was going to ask questions today, instead of making a statement, but you answered most of my questions. But I would like you to listen from, because I am a little older

and a little wiser than I was 14 years ago when you had me treed, Lee, I think--

[Laughter.]

Mr. *Cunningham.* And one of those members was from the ACLU as well that was concerned about implementation of all of the recommendations, and they thought that anyone that would make that statement was wrong, and I will leave it at that.

If, and I am looking from personal experience, if you have an NID or a DCI that is directly under the White House, my concern, you know how even in the governorship in the State, you know how politics takes over. And if you have a small staff, especially, if the White House scrubs everything that goes through that office, my fear is that it is going to be either gridlocked, micro-managed, and it is going to limit action that gets down to where your concern is to the actual tactical implementation in the field.

If you have somebody that is tied to the White House closely, you have got politicization. If he is not tied with the Cabinet, then what authority does he have? Budget, yes, but you still, you understand what the problems are, and I think he even expressed that. And that is why we are saying to implement it now, to go into a markup now, I, personally, think is wrong.

There are some things that have made a difference. You talked about 1955, this goes way back, and there was just barely a spark left of that interest. And 9/11, and we are, in fact, in a war right now, has turned that into a roaring fire.

I think what the goal of this committee is, is to make sure that that fire doesn't burn down all of the things that we are trying to build, and I think that is a bipartisan, legitimate concern.

When I was growing up, I was 14 years old, I was working on a farm putting up hay, and I sat down at noontime for lunch. And I had a Persian cat jump in my lap. I didn't have a shirt on. It was hot. I was 14 years old. I was a lot skinnier then, too. And all of a sudden this cat named T-bone, it was a Siamese cat, came around the corner. Now, I had a recommendation also to those two cats that they make friends. And I picked up that Siamese cat and put it on my other lap, and I would bring them together, and they would tense up, and I would bring them together, and they would tense up. Well, I want to tell you those two cats hit each other, and I didn't have a square inch on my body that wasn't scratched.

[Laughter.]

Mr. *Cunningham.* I know the implementation problems that we have.

And let me give you another good example. President Johnson, when I was in Vietnam, micro-managed. He was controlling. The White House controlled. It got a lot of my friends killed because of the micro-management.

Desert Storm, the White House let the leaders do their job. I want a CIA, an FBI and defense intel that's flexible, imaginative, that is not limited by a DCI or an NID, and that is a real concern as well.

I sketched out. I may have to fall on my own sword. I sketched out a plan to--my real concern is the Congress. And lots of luck, Jo Ann, when you come in here and try and figure out all of the committees, and the jurisdiction, and what control you have. And when I first came here, even finding out about the authorization because, being classified, we don't have a staff member. Our staff does most of the work for us, and then all of a sudden you are the staff and the member, it becomes a problem. And I want to reorganize Congress like you are trying to do with the system itself, and I want to run it through Chairman Goss because he has got a lot more knowledge on the directions before I present it.

But I want to thank both of you. I think you have done a good job, but I hope you also recognize some of the concerns that we have. And I think that to say that we have done nothing in 3 years, I mean, look at the PATRIOT Act.

Look at a lot of your recommendations have already been implemented by the White House. You take a look at what we have done at the airports. You take a look at what we have done with local authorities, and first responders, and biosphere and all of those things. Now, it is time to do the job that you set forward, and I really want to do that, and I want to do it soon, but I do not want to--I think a statement was made, "Let's worry about 9/11, not 11/2 and the elections."

Thank you.

Mr. *Boehlert.* Thank you very much.

The chair recognizes Mr. Boswell.

Mr. *Boswell.* Thank you, Mr. Chairman. I, too, join with everybody else. I appreciate your comprehensive study, report and your recommendations. You have answered some of the questions I have had in regard of is the job too big for one person? I think so too.

You have commented about the urgency, and that has been a concern of some of us, the urgency. I don't sense across this Nation that we really understand that we are at war with terrorism, and they want to hurt us and hurt us bad in lots of different places. And I think that sense of urgency is just I don't feel it, and it bothers me, coming from my own background.

And I appreciate your comments about sharing versus need to know. I come from a background where we rewrote FM 101-5, when I was an instructor at Command General Staff. It was quite an experience, but I had a top-secret clearance. And to get into the library, to get information, I had to go through the "you need to know" stuff, and then I had to have a higher classification. And you could have a top secret, and I could have one, but if we weren't in the same area, we couldn't talk to each other.

And some months ago we made that discussion in this committee, and I said very strongly we have to move to a mentality of share, and I really appreciate your saying that because no point in somebody knowing it, and we need it down at Des Moines, Iowa, or wherever. The citizens, as you said, Lee, very well, if they don't know, we've failed. So I appreciate that.

I am concerned about the danger of the political side of it if we put this new Director outside or whatever, and I wish you would comment a little more on that. And you might comment some more about us--you cover things about changing our image, the long range, how we get there. And I am just kind of hit by what I saw in Morocco, in Marrakesh, a small aid program, what it did in housing getting people out of the landfill and how it was appreciated. It was just almost overwhelming, and it didn't cost very much.

And the fact that the agencies out there in the field, when they see a need on the spot, and they can't move resources around, I think is a detriment. You might say some more about that, and then we will see what time we have left, and we will come back to it.

I would like to hear from both of you.

Mr. *Kean.* I don't know where to start. You have covered so much.

I might say that, as far as the recommendations go, when I got this job, I recognized that, unlike other members of the Commission, that I was pretty ignorant. I had not served down here the way other members of the Commission had. I looked with awe at Lee Hamilton and his years of experience and other members of the Commission. So I went back, and I did some reading, and I read the other reports, and they were very good reports. I read Hart-Rudman. The Lockerbie report was a wonderful report with some very good recommendations. Obviously, we all read the Joint Inquiry report.

And the only thing that I was left with was as to why has nothing been done? There were fine recommendations from all of those reports, many of them very similar to the recommendations we are making here. And one of my concerns, and we talked about this a lot on the Commission, is what about implementation? We haven't worked 2 or 3 years or 2 years or whatever to have this sit on a shelf. And so our

concern in that area is obviously that you consider everything very carefully, but time is not on our side here. It really isn't. And we have got to move.

And if our recommendations are not the right way to go, then let us go another way, but let us do something because nobody, nobody we talked to--we talked to over 2,000 people--nobody likes the status quo except some of the people in the bureaucracies--nobody. Nobody thinks it is right, and everybody thinks it keeps the American people in danger. So I would ask you to move things as expeditiously as you possibly can, giving due care.

As far as--

Mr. *Boswell.* Governor, could you then get into the possibility about your thoughts on 4104? Did you look at it? Do you have any comments about that recommendation?

Mr. *Kean.* About the recommendation for--

Mr. *Boswell.* H.R. 4104.

Mr. *Kean.* Yes.

Mr. *Boswell.* We shared it with you. I don't know if you have had a chance to look at it or not.

Mr. *Kean.* I didn't see that one. Did you see that one?

Mr. *Hamilton.* That is the bill put forward by Ranking Member Harman.

Mr. *Boswell.* The 1st of April, yes.

Mr. *Kean.* Oh, yes, I did. I am sorry.

Mr. *Hamilton.* We built on that.

Mr. *Kean.* Yes.

Mr. *Hamilton.* Used a lot of the recommendations for it. And as you heard Ms. Harman say a moment ago, there were a lot of similarities between what we recommended and what you and she had put together. There were some differences, but manageable, I believe.

I want to comment about this need to share about this need-to-share and the need-to-know tension. We, of course, emphasize in our report the need to share because we think that was one of the fundamental problems in leading to 9/11, but we do not dismiss the need to know. I mean, obviously, that is an important part of intelligence, and you do have to be very sensitive to sources and methods. You can cause an awful lot of harm if you let some information out that can potentially or actually harm our human intelligence people or others.

So there has to be a balance there. But we think the balance has to shift a little more towards need to share because the stove-piping has made it very, very difficult to do that.

Now the politicalization, I am very appreciative of the fact that the committee members are sensitive to that because I think it is an enormously difficult problem in intelligence

generally. I don't think there is any neat solution to it. I believe that there is no substitute for the integrity of the person selected for the job. That person has to be a highly professional intelligence officer.

In my view, he or she must understand that he or she is not a policymaker, that his job or her job is not to tell the President what the President wants to hear, and that takes a good bit of courage, incidently, to stand up to a president under our system. And his or her job is to try to understand as best he or she can what the facts are, the intelligence are, to report them as cleanly to the President and as precisely as he can do or she can do and then step back. He is not a policymaker. That is my perception of the job.

There is no substitute for that, nor is there any substitute for asking the tough questions, and this is where you come in. And this is why we insist upon robust congressional oversight. And as I said before your caucus yesterday morning, there is no oversight, independent oversight of the intelligence agencies, except in this committee. There isn't any. You have got the President's board over here--I can't ever remember the name of it--that they are very good people. They have done some very good work, but they are all appointees of the President. And if you are going to have independent oversight, it has to come

from you. And that means you have to ask a lot of very tough questions, and if it is not done, it does not get done.

Mr. *Boswell.* And I might say get answers.

Mr. *Hamilton.* And to get answers. And they are pretty skillful at not answering sometimes pointed questions.

Mr. *Kean.* Your other part of your question was on United States' image. We recommend in the report that you have got to give a very hard look on having a consistent message, particularly to the Arab World, as to who we are and what we want and a message that gives them hope, a hope of a better life and that can be contrasted against bin Laden's message, which really brings them to lack of hope and death in the end. And we have got to have a consistent message, and we have got to look at ways to promote who we are and help them to become who they want to be.

Mr. *Boswell.* The Marrakesh story.

Mr. *Kean.* Yes. Yes. For instance, if we are really upset that these kids are going to these madrassas and learning these terrible things we have got to recognize the fact that in many of these communities the madrassa is the only school. There is no Government school. They have to go to the madrassa or they go to no school at all. We have got to help these countries to establish an alternative.

Mr. *Hamilton.* Let me comment about this flexibility of funding.

I picked up the newspaper the other day, and I was reading the article about Susan Collins in the New York Times--Senator Collins. And in that article it said that John McLaughlin, the Acting Director of Central Intelligence, complained to her that it took him 5 months to get the congressional approvals needed to move money from one intelligence agency to another--5 months. And Senator Collins said that if you have to wait 5 months to move money for an urgent task, that is not budget authority, and of course she is right.

So this reprogramming business, flexibility, as you put it, is very, very important. There has to be a means somewhere of moving money quickly under urgent circumstances.

Mr. *Boswell.* Thank you, Mr. Chairman. My time is up. I appreciate the comments from both of you.

Thank you very much.

Mr. *Boehlert.* Thank you very much, and there was extended time because of the importance of the discussion going on. And I would hope both the chairman and the vice chairman would view this type of proceeding as important and contributing to the necessary dialogue.

And the reason I say that--I am not trying to set you up--there are some who the moment your report was published wanted us to put it in legislative language, wanted the Speaker to reconvene Congress and quickly pass it. That was

resisted by this committee because the chairman, I think rightly so, thought it very important that we ask the questions, that we have these dialogues and not just here in the Senate and in some of the other committees.

But as the chairman has emphasized, we have got to act with dispatch, but with deliberation, and it is a delicate balance. But I would hope that both of you would agree that this a beneficial type of proceeding and that we should not, and I want the ranking member to know I am referring to remarks she made earlier, but not directly to her, the rush to judgment. We just can't unnecessarily delay, but we have to be deliberative. It is very important.

Mr. *Hamilton.* Mr. Chairman, my view of that is that it is your prerogative to determine the pace of reform. You are the policymakers, not Governor Kean and myself. Our position is that we want you to proceed with care, but we want you to proceed with haste. We have got a very important matter here.

Mr. *Boehlert.* And I would say, universally, that is a response you are going to get from this committee on both sides.

Mr. *Hamilton.* Good.

Mr. *Boswell.* With care and with haste. We don't want your report to have the same fate of so many other reports dating back to the second Hoover Commission: well-written,

just gathering dust on a shelf someplace. We are paying attention.

Mr. Hoekstra?

Mr. *Hoekstra.* Thank you, Mr. Chairman.

Mr. Kean and Mr. Hamilton, it is great to see both of you and have you here today.

I have got just really three things that I would like your comments on. One of the criticisms of the intelligence community was that after the collapse of the former Soviet Union and the Cold War, they were slow to adapt to the emerging threat and slow to recognize the terrorist threat. The organization that you are envisioning, do you see that as being an organization that is responsive to the threat of terrorism or do you see that it will be an adaptable organization that, today, can effectively fight the war on terrorism, but as other threats emerge, that this type of an organization will identify, will be more capable of identifying those threats and then adapting to meet those threats?

What do you see happening with budget on this type of an organization that you are proposing, and do you also recognize that it is still going to be very, very people dependent because you are going to have people throughout this organization who are still going to have more than one

boss? So, if you could just respond to those comments, I would appreciate it.

Thank you.

Mr. *Kean.* I think you are always going to be people dependent. No matter what organization you have, you are not going the get away from that, and we have just got to--that is why oversight is so important, and the confirmation process that we have recommended for the most important people in the organization is so important.

We believe this will be much more flexible. It is designed, of course, to meet the current threat because we think this is not something which is going to even be resolved perhaps in our generation. This is something, this war against Islamic terrorism, may be something that our children are dealing with. So we are trying to set up an organization that will be flexible in dealing with whatever challenges it presents.

We believe the Center brings into dialogue, into conversation, and into sharing all the various agencies that we have, having anything to do with information on terrorism, bringing them into conversation, bringing them into sharing is going to make it more flexible and make it more ready, not only more efficient, but more flexible, and then having a quarterback, having somebody who is finally in charge who can say, based on the information we have, based on what is going

on now in the world, this is the policy we ought to pursue, and take that to the President.

We believe that will give it the kind of flexibility which you are talking about and the flexibility it probably lacks under the current stovepipes. Because when you don't share information, when you keep it to yourself, when you have a culture honestly that tells you keep it to yourself, you are not going to get flexibility any more than you are going to get sharing because there is no conversation, there is no common meeting place, there is no place where you are talking about everything and putting it together.

So our feeling is, no matter what the threat we face, we believe the enemy is flexible, the enemy is smart, and we are going to have new threats we can't even conceive of as we are sitting here today.

Mr. *Hoekstra.* You are saying that is true also for outside of the war on terrorism.

Mr. *Kean.* Yes, I believe so. I believe this is a system which should, by sharing information, by having conversations, by having one leader, will be more flexible in the use of intelligence.

Mr. *Hamilton.* Just to pick up on that. If you take a look at our organizational chart, the National Intelligence Director, we have been spending a lot of time talking about his oversight with foreign intelligence, defense intelligence

and homeland security intelligence, but the other part of the chart is the National Intelligence Centers. And what that means is that the National Intelligence Director, and really the President and his key people, would say, "Okay. There are certain problems out here that are the major problems, national security problems that the United States has." Terrorism would certainly be one of them today, probably the top one, but there would be several others: weapons of mass destruction proliferation, for example, maybe China, emerging threats. I don't know what you would put in there.

But it is a very flexible organization so that these centers would change from time to time, depending on what the threats were, and the centers would be where you would pool all of the information that would come in from all over the Government, all foreign and domestic sources you would pool that information in these centers. And this is critically important in terms not just of terrorism, but of defending against all kinds of threats that the country may confront. So the flexibility of this is, I think, one of the major assets of it.

The President and the National Security Council sits down and says, "Okay. Country X is the big challenge in the next 30 years or 50 years." You would set them up an National Intelligence Center dealing with Country X, and you

would collect all of the information from all over the Government about that country. More than that, not only would you collect the intelligence, but you would begin to plan operationally--not set policy. That would be done by the President--but you would begin to plan operationally how you deal with that particular national security threat. And I think that is a big advantage of the recommendation we make.

The second point I want to make is I know the CIA and the intelligence community comes in for a lot of criticism in recent months, but I also want to reiterate what we said earlier, and that is the intelligence community, and the CIA, specifically, understood this terrorist threat better than any other part of the Government. They were speaking about it, and they were alert to it. Now, not enough flowed from that, not enough happened, but they understood the threat. And it was George Tenet that said, "We are at war." Unfortunately, nobody paid any--or not too many people paid attention to it.

So, with all of the faults, the criticisms we make of the CIA--and we have made some, and I suspect you have, too--you have got to remember here that they understood it better than anybody, I believe.

Mr. *Hoekstra.* Thank you very much.

Thank you, Mr. Chairman.

Mr. *Boehlert.* Thank you.

Mr. Peterson?

Mr. *Peterson.* Thank you, Mr. Chairman.

Governor Kean and Lee, thank you for your service to the country. I think you have done an outstanding job, you and your Commissioners, and your staff, so relay that to them.

And I agree with pretty much most of what you have recommended. But the one thing, you know, you really have laid out in a good way, it's almost a pretty good novel, actually, of how all this progressed. And I was at a meeting back in my district last week, where we had 250 people at this meeting. And I asked them how many people had read this report, and not one single person in that meeting had read the report at this point.

I think this is so good, I think this should be required reading for every American citizen. And I really commend you for what you are doing in taking this effort going out around the country and turning up the heat, if you will, so we can get these changes. That is so important to make this happen. But I really think this is good enough that if there were somehow or another we could make that happen, we should have every American read that.

As I understand in your recommendations, you are talking about, in this restructuring, having this new Director have the hiring and firing authority of these agency heads. And

in addition to that, I think you have recommended that the budget authority be transferred to that person as well. So, in other words, the Defense Department would no longer control that budget, but it would be controlled by this new Director.

I guess I have got a kind of a one- or two- or three-part question.

First of all, have you got some kind of reaction from the Defense Department to that?

Second, I assume the Defense Department will have some input into that process as that person develops that budget, and if you could comment on that.

But I guess the one thing that is not in the report that I have got some concerns about, and I don't know if you talked about this, and that is what is OMB's role in this process? My experience around this place the last 14 years is that OMB can be as big an impediment as anything that you run into when you get into these budget issues.

And this story about Senator Collins taking 5 months to reprogram, I am not so sure that it is maybe not just congressional. It might be part of the OMB situation.

So did you look into that, and did you consider possibly taking OMB out of this process? Because they really do get involved in a lot of policy things, and they really do bog down the system.

Mr. *Kean.* I didn't know they would get that involved in the intelligence budget, but, Lee, you know much more about this than I do.

Mr. *Peterson.* Well, I don't know about intelligence, but in the budget process, when I have had issues, you can't believe the amount of power that they have, and I think it is an issue.

Mr. *Hamilton.* Well, I don't think I know how to take the OMB out of the process.

Mr. *Peterson.* Do you think we should?

Mr. *Boehlert.* We are all on the edge of our seats to see if you have got the answer to that one.

[Laughter.]

Mr. *Hamilton.* There is no way that I know of that you can take them out of the process, and somebody has to make the decisions with regard to budget, whether it is the OMB or somewhere else.

They would play a very important part in this, as they do everything else in Government. The National Intelligence Director we think, in order to be worth creating, has to have very strong budget authority. We would not create the National Intelligence Director if he or she did not have strong budget authority, and he would receive or she would receive the appropriation.

Today, as I understand it, the appropriation, as the Chairman pointed out, goes, some of it, a small part of it--15 percent or so--goes to the CIA Director and most of the rest of it goes to defense.

Mr. *Peterson.* Could I ask you, how has the Defense Department reacted to this? Have you gotten any reaction from them?

Mr. *Hamilton.* The only reaction I guess came yesterday afternoon, which some of you heard. I was not present at the Armed Services Committee meeting.

Mr. *Peterson.* I wasn't either.

Mr. *Hamilton.* And all I saw was the press report on it this morning, and they certainly didn't reject it. They seemed to me to be open-minded on it.

Mr. *Peterson.* Have you had discussions with the Secretary?

Mr. *Hamilton.* No, I have had no discussions--

Mr. *Peterson.* With the Secretary or--

Mr. *Hamilton.* But I do want to say that the Secretary of Defense called me and asked me to join him for lunch the other day, and I was not able to do that, unfortunately. But Secretary Rumsfeld has been very good in meeting with the Commission, and not only that, but he has responded in lots of ways when we requested information from DOD and other sources.

So I have never had the feeling that the DOD was just saying "halt" here. I think they genuinely recognize some of the problems, and I must say they recognize some of the problems we don't recognize. And so I think that the conversations we have had with them so far have been very positive.

Mr. *Peterson.* Thank you very much.

Mr. *Boehlert.* The gentleman's time has expired.

Mr. Burr?

Mr. *Burr.* Governor, welcome. It is always good to see our former colleague, Representative Hamilton.

Let me applaud you for, one, the content of your report. Let me also highlight what I think was the most difficult thing and that was to manage this Commission, to stay away from the political tendencies that might have led the Commission to stray from what was important and to congratulate you on the fact that I think both of you, but the entire Commission, never lost their focus on what I thought was the most important thing, and that is that, without the structural changes needed within our intelligence community, we could never get down to what I think, and I think what you have conveyed to us today, was the real problem, and that is the culture that existed within these communities.

Though you could have a format that says you are supposed to hand off from Point A to Point B when this happens, there was a culture that it just wasn't automatic. I think, Governor Kean, you raised a very important point, and that was Director Tenet's response to you when the question was asked: How long does it take? And when you heard it, I think the entire Commission was shocked, and I think the country was shocked, and I would be willing to bet that no member of this committee was shocked at the answer of 5 years, because we see from a daily aspect exactly how difficult it is to penetrate not al Qaeda in 2000 or al Qaeda in 2001, but an al Qaeda that is changing itself every day, day to day, sort of the finishing point of this report we have seen change since then. And I think your efforts to try to put together a structure that evolves as that change happens is vitally important.

You have highlighted, Mr. Hamilton, a couple of times al Hazmi and al Mihdhar, and it was an area of particular intrigue to me as we went through our investigation because I think we asked the similar questions: How could this happen? There were so many opportunities. And I am less concerned with rehashing that--you covered it in depth, we covered it in depth. I think in hindsight we can look back and say should have. It didn't. You have addressed and I think we have addressed what structural changes we need to make so at

least we feel that we have confidently in the future addressed how it shouldn't happen.

But there were in the joint intelligence committee report 27 pages that were classified, and I think your report addresses al Hazmi and al Mihdhar and their activities specifically as it relates to San Diego prior to September the 11th. And I would just ask both of you, do you feel that the matter has been sufficiently discussed in the public record so that the issues of those 27 pages of the joint inquiry are now demystified? I am asking that very carefully, as you can tell.

Mr. *Kean.* Yes, and I would answer carefully yes, because we had access and were able to declassify the materials that were not in that report. It wasn't always easy, but we were able to declassify numerous materials that had at that point been classified. And I will say, again, probably the most outside member of the committee, the one who came most from the outside, that area of overclassification we have just got to keep looking at, because I will never forget the first time I read--I think it was a 300-page report from the FBI, and it had stamps, you know, the things, you have seen them, classification all over them, the whole thing. And I turned to my minder, or whoever it is who watches you read this stuff, and said, "I know all

this. Why is this classified?" And he said, "But you didn't know it was true."

It had all been in the press, and I would say 50 percent of the materials that we read was stuff the American people should be reading. No reason for classification. But the particular San Diego area, we were able to declassify it, and it is in our report.

Mr. *Burr.* Governor, you made a statement earlier that I think Representative Hamilton would agree with, and it tells me more about your understanding than any single thing in this report. It was your comment that we may not solve this this generation; it may be something that our children and our grandchildren continue to deal with. And I think it sort of conveys the degree of importance about what we are doing, not just the urgency but getting it right. And I think that is what we strive for in this committee.

I am supportive of the NID, or whatever we are going to call it. I am supportive of the budget authority that goes along with it. It has to have teeth. I still struggle, and I would plead with the both of you and your Commission to continue to counsel with us, work with us, as to whether this goes in the executive branch. It was the one word that Lee used earlier. Every time I hear that word "operational," it is when I begin to back off going across there because that

is sort of the danger zone. That is really the word that we all should be concerned with.

So though I am not there yet as to whether it belongs, I think that there is agreement not only in the committee but across the country for the need for it. I applaud you. Thank you.

Mr. *Hamilton.* I just want to observe that I really appreciated your statement. Your comment about the culture of organizations is critically important because we know how difficult it is to change that. And Director Mueller is really wrestling with this in the FBI now to try to change the culture of the FBI, which has been very focused on law enforcement and not on intelligence.

Secondly, I want to say I think the chairman in his opening comments commented on the joint inquiry. We thought the joint inquiry did very good work, and we built upon it in many ways. We learned from you how difficult it was to get information declassified. You had that big blank section that you referred to in the report, and I must say that the White House was very cooperative with us in trying to work through the declassification problems. Andy Card, the chief of staff, set up a special group of people who worked with our staff. We drafted language over and over and over again in order to make sure it was scrubbed of any risks with regard to sources and methods. And the process had its

difficulties, for sure, along the line, and yet it worked in the end. And we produced the report with no redactions. With the slightest exception of, I think, one of the PDB references, there is a redaction. And I consider that a very important accomplishment of the Commission.

We were able to write on the most sensitive matters in the Federal Government and to present the story without redactions. And one of the reasons we were able to do that is because we learned from your experience on the joint inquiry. Tom and I probably spent more time on the access questions than any others. He and I and Judge Gonzales got to be very cozy in our relationship over a period of weeks.

Mr. *Gibbons.* [Presiding.] The gentleman's time has expired.

Ms. Eshoo?

Ms. *Eshoo.* Thank you, Mr. Chairman. And welcome. It is wonderful to see you again this week after a very important meeting yesterday and today this hearing.

First, I want to wish our colleague Mr. Goss, even though he is not here, my congratulations. It is always a source of pride when someone is chosen from amongst our own ranks, and I think that source of pride is deeply held here at this committee that Mr. Goss has chaired.

I also want to welcome Congresswoman Davis to the committee. It is good to have you here, and this is a very

important committee, and certainly in the time and life of our Nation now, it is a critical committee.

And to the Chairman and the Vice Chairman of the Commission, I think that you are real patriots in the work that you have done. When the American people essentially said to the families of the victims of September 11th what is it that we can do to help you, they wanted all of this to be examined and the truth, so to speak, in terms of the examination would be there for all to know, including the failures, obviously, but also where we can go to correct these failures. And I think that you have really lived up to what their hopes and their aspirations have been, and for that I think there is really a most grateful Nation for the work that you have done.

I couldn't help but notice when I was sitting here and kind of turning around in my seat, it says, "Where there is no vision, the people perish." So I don't want to think of perishing, but I think that you have brought a great deal of clarity relative to the vision of where we need to go. And for that I want to thank you.

Now, last week, our first hearing, we had more than one panel, and one of the panels with intelligence community witnesses, and I don't remember exactly who it was that said this, but it was essentially the following: Judge us not by 9/11, but where we have come to now. And I am not asking

you, obviously, to weigh in to be harsh or whatever. In your view, in your examination did you find very much change within the intelligence community from that fateful day?

Mr.* Hamilton.* I think the answer to that is yes. I don't have any doubt in my mind that officials in Government, not just in the intelligence agencies, are genuinely trying to meet the changes required, make the changes required after 9/11, and there is without any doubt in the intelligence community a lot more sharing of information than prior to 9/11. And officials have struggle with how to make improvements.

I think what we are saying is that we appreciate that. We think that progress has been made, but the structures today still remain making it more difficult to achieve it, and the structures ought not to get in the way of good people trying to do the job correctly.

It is an awfully hard thing to assess, however.

Ms. *Eshoo.* It is.

Mr.* Hamilton.* Because they will tell you that they have made a number of changes, and they have. How effective those changes have been is not the easiest to access. And then you constantly hear stories about deficiencies still in the system.

I don't know if this committee has access to the classified report with regard to the failures in airport

screenings today. I presume you have that. But you look at that and it is rather--it shakes you up, anybody who flies regularly.

Ms. *Eshoo.* Yes, we do.

Mr.* Hamilton.* I can go on and on. You fly more than anybody. Likewise, we frequently commented on the Governor of Kentucky's plane.

So I think a lot of things have been done. Many things have improved. All the officials are working hard at it. We think more needs to be done.

Ms. *Eshoo.* Thank you.

Can I just jump in with a--

Mr. *Kean.* May I say one brief thing?

Ms. *Eshoo.* Yes, I want to ask--oh, my time is up. Go ahead.

Mr. *Kean.* Ask your question.

Ms. *Eshoo.* Well, I wanted to get to the part of your report that recommends the creation of a board to oversee civil liberties. Do you think it should have subpoena power? I am concerned--I think it is a very good recommendation. It is an important one. But we cannot be satisfied with a board that doesn't have any--you know, it can't be a toothless tiger, make ourselves feel good that we have a board but that it really can't follow up on things. So do you think it should have subpoena power? Would it work with IGs and the

Department of Justice? And maybe you could just spend a moment to tell us how you envision that that board would actually operate.

Mr.* Hamilton.* I am afraid we didn't really address that. Maybe we should have, but we did not. We felt that we are creating positions of considerable power in the ones we have talked about this morning, and you are creating power in very sensitive areas because that power can intrude upon the lives of people. Therefore, you have to create mechanisms that deal with that, and you do need some kind of a review process over steps taken by either the Executive or by the Congress.

So we think the board should be constituted within the executive branch. We think the board should run across all aspects of the executive branch, not just intelligence. And we did not address and the report does not address the question of the subpoena power. That is a very worthy question to address if such a board were to be established.

Ms. *Eshoo.* Did you discuss it? Did the Commission discuss it?

Mr.* Hamilton.* No, I am afraid we did not, and your question makes me realize that we probably should have discussed a little more carefully the powers of that board.

Mr. *Kean.* That is correct. I just wanted to say to the last question, the problem that disturbs me a bit is that

a lot of the changes, which are very good changes in the right direction, at the moment are top-down being made from people in charge of agencies, and we do not know how deep they are going. A perfect example is the FBI. Director Mueller is doing, we think, the right thing. He understands the problems in the FBI, and he is working very hard to change that organization. But that involves changing its culture. And we are very concerned. On the Commission, we were willing to say, yes, he is going in the right direction. But unless you all in your oversight permanentize some of those things so that if he were to leave tomorrow the FBI wouldn't go back to feeling their prime function is breaking down doors, that needs to be done. We have to understand that if somebody wants to go into the intelligence side of the FBI, they have the same rights of advancement, the same of promotion, of getting up in the organization as the other side does. And unless you are alert to that and make sure that happens, we are really depending on the tenure of one or two people. And if they were to leave, it might go right back to the way it was.

So that is my concern as to what has changed. I think there is a lot good going on, but a lot of it is top-down at the moment, and it has really got to get into the bowels of these organizations and change the culture if it is going to be effective.

Ms. *Eshoo.* Thank you, both of you, and the entire Commission and magnificent staff.

Mr. *Boehlert.* [Presiding.] Mr. Everett?

Mr. *Everett.* Thank you very much. Thank you for your service and for being here. This is my eighth hour, or seven and a half hours of being with you in the last 2 days, and although I am a subcommittee chairman on House Armed Services, I did not get to ask a question because I was only 20 minutes late, and, Congressman Hamilton, you know how we do that. If you don't come in when the hammer goes down, you go to the bottom of the list.

Mr. *Boehlert.* The gentleman is granted one additional minute.

[Laughter.]

Mr. *Everett.* I appreciate that very much, but I need ten.

I appreciate and I want to associate myself with the remarks that have been made so often about your service, and we all appreciate that. And I do associate myself with my colleague, Mr. Burr, and your comments on culture. At one time I was subcommittee chairman of the Investigation Oversight Committee on Veterans, and culture is one big ship to turn around, and it is not done overnight. But it has to be done, and I recognize that.

Since my time is short, I would like to make some observations which, if you need to comment on, please do so, but I will also ask some questions. Lee, you said that there is no substitute for asking tough questions, so I hope you won't be disappointed when I get through.

Mr.* Hamilton.* Just direct them to the Governor, if you would, please.

[Laughter.]

Mr. *Everett.* First of all, as I read your report, if we accepted your report in full--although I think it is folly to even suggest that we take it and pass it immediately, because you yourself have said that maybe you are not--you do not have any fixation on the boxes, and you also say that you are not quite sure about certain things in the report. So I think these hearings are good. It is what we ought to be doing, and it is the process that we ought to be following.

However, your report says that if we accepted all those recommendations, it would make America safer and more secure. It does not say--and no one needs to get the idea--that it would prevent another attack. It would not prevent another attack. I know none of us want that to happen, and I hope those in Congress will not position themselves to react to it once it does happen, because, Mr. Hamilton, you said yesterday there are thousands of places that we can't

protect, there is no way to protect. We don't have the money, the funds, or probably the people to do so.

What I would like to talk about also is to refer back to almost 2 years ago, Lee, in the joint hearings, and I mentioned this to you before the hearing started. And Dr. Webster, who has been the CIA Director as well as the Director of FBI, and I asked a question--and I think it was of Dr. Webster, and I will be frank, I have not gone back and reviewed those records of 2 years ago--about the funding. I think I said something to the effect that he who controls the purse strings generally controls the situation.

And Dr. Webster, as I recall--and I don't want to put words in his mouth, but I am pretty sure of what he said, that he had not seen a problem with that being controlled through the Defense Department. That is my recollection of the conversation. I don't recollect you making a comment about it one way or the other.

I would also like to ask about the workings of the Commission. Help me understand how the Commission worked. It has been pointed out many, many times that this is a very bipartisan report endorsed by all members of the Commission. When I was in the Air Force intelligence--and I agree with my friend, Mr. Boswell--I had top-secret cryptographic code word clearance, and yet there were things I couldn't see. But we had to--I lost my train of thought there for a moment. We

were discussing an issue of the old Soviet Union, and the shift commander came in, and we told him we had all agreed on that issue. And he looked at us, and he said, "Well, you are very sharp people, and I agree with that. But if you all can agree on this, then somebody is not doing a lot of thinking."

And I am just wondering if the Commission itself is perhaps guilty of group thinking in some cases. If all members of the Commission endorsed the report, were there some compromises that had to be made so that all Commissioners had to endorse the report? I can't imagine that that is not true. Maybe I am wrong on that.

In addition to that, I was wondering if the Commission did any study on why we haven't been attacked since 9/11. I have asked George Tenet that. I have asked a number--and I have never gotten an answer. I don't know, and I don't know that the Commission knows why. But, nevertheless, it appears to me that this administration and this Congress has done some things right, and our people in the intelligence community who work day and night, hard, in dangerous places, have also done some things right.

I have had a lot of questions. I have already used the red light up, and I would appreciate the answers. And I know there were a lot of questions there. Thank you.

Mr. *Boehlert.* And because of your patience, we have granted you an additional minute.

Mr. *Kean.* I will start, and then my more knowledgeable colleague will correct me or continue.

First, on the Commission itself, we worked very hard to become unanimous, and it was a long process. It involved getting to know each other very well so we trusted each other, and as we met not only in sessions but for dinners at people's homes and in other ways, sort of the Rs and the Ds started to fade a little bit from our lapels, and we started to work together as human beings. And I would say the debates that took place the last month, I would say, in the Commission were, frankly, better--I am a college president. I could have taken my best class in to listen. Those were seminars on government, and discussions.

When we had a problem in the report where we started arguing, we had sort of mantra to say, "Let's go back to the facts" because you can't disagree on those. And we would put down the facts. If it was a question in conclusion, we would leave it, frankly, in the report to the American people to read the facts. They could draw their own conclusions. And we got past a lot of the arguments that way.

The recommendations, I would say the most important recommendations, which are the ones involving intelligence, were the most difficult. And I would say, Lee, we started talking about those about 3 months before the report came out. And it was an evolution. It was individual

Commissioners with strong points of view having lunch with each other. It was bringing in what you would call the Washington wise men and women, people around this town that we all respect, and consulting them and bouncing things off them. It was a long, long process, and I didn't know until the end of it whether or not all ten Commissioners were going to say, "I agree." But in the end they did, and they all agreed, surprisingly maybe, on these recommendations. And there wasn't really any--I don't remember any compromise. There really wasn't. In the end it was a series of long seminars, discussions. Intellectually, they came to believe that this was the best way to go for the country.

That is basically how we proceeded, and if you had told me 4 months ago that we were going to be unanimous, I would say, Well, I don't know about that. But it worked out that way, and we are, by the way--why we haven't been attacked? We must be doing something right. I can't say we are not. We have said as a Commission that we are safe, and we believe these recommendations, when implemented, will make us safer, but never totally safe. Not in this world.

Lee?

Mr.* Hamilton.* Well, to pick up on that, we asked a lot of people that same question: Why have we not been attacked? And, of course, it is really an impossible question to answer in some ways. You and the Governor I

think have stated it right. We have done a lot of things right.

We have clearly hurt al Qaeda. They have been disrupted. And there isn't any doubt that that has been an important achievement. It has made it harder for them to strike us.

We have made a lot of progress in a number of areas in protecting ourselves. You are more familiar than we are with the amount of money that has been spent for deterrence. It is a huge amount of money. And it has had, I think, a beneficial impact. You can have questions about cost-effectiveness, maybe. That is always a debatable area. But I think all of that effort has a deterrence. If you went up to the--I didn't go, but they tell me at the Boston Convention of the Democratic Party, every 4 feet they had a policeman. You don't have that kind of coverage without having a deterrent effect on people. And we know what happens in this city in terms of security. So a lot of good things have been done, and we have put into account a lot of defensive measures that are effective.

Nonetheless, you read about, as we did yesterday in the paper, emerging new leaders of al Qaeda, and it is ominous, as I said yesterday. And it is very clear to all of us that, number one, they still have the intent to kill us; and, number two, they still have the capability to do it. And,

therefore, we think that another attack is likely. But a lot of good things have been done.

I want to say, the Governor was very modest about his contributions to the business of building a consensus. It was largely because of his remarkable leadership that we were able to reach a consensus. And there was a technique to it. We focused on the facts, first of all, and the rule was that we agree on the facts. So often we do not. We went over--if you look at the first ten chapters of this book, it is basically history. It is a recitation of fact. And we went over those chapters not once or twice, but six, seven times, line by line, to get an agreement on the facts.

I often thought to myself, you folks don't have that advantage. You don't have that kind of time. But that is the way you begin to build consensus. And if you can get an agreement on the facts--and you have to be very patient about that--then it is really surprising how the conclusions that come out of those facts you can get a consensus on.

We did not have a single vote in the Commission that broke on partisan lines. Not one. In the entire 20 months that I worked on this, we didn't have a single partisan vote.

Mr. *Boehlert.* And that is something to be applauded, and we applaud that because, quite frankly, there were some of us concerned. Initially, it appeared it was going to be a 5-5 standoff. But under the leadership of Governor Kean and

you, Congressman Hamilton, the Commission did the Nation proud.

Now for the final member of the committee, talk about baptism by fire, we recognize the newest member of the committee, Ms. Davis of Virginia.

Ms. *Davis.* Thank you, Mr. Chairman. And, gentlemen, thank you for your patience, for all the hearings that you have had to appear before. I think, Governor Kean, you said to, I believe, Mr. Reyes that it was cruel and unusual punishment for those of us who are on Armed Services to have to sit and hear you again. But I think statistics show you have to hear something five or seven or some huge number of times before it sinks in. So I think we are just starting, and I think you are going to be before the International Relations Committee in 2 weeks, which I serve on as well. So I may get to hear you for the third time.

I do have a question on--I agree with my colleague, Representative Burr, that there is a sense of urgency, but we do need to get it right. And, Representative Hamilton, you just said we don't have that luxury of taking the 20 months to take the partisanship out of it. And I certainly hope that we will not be partisan, that we will do what is right for the American public.

I stood on the House floor and read every name of every person who lost their lives in the World Trade Center and the

Pentagon, and that was just--I don't want to have to do anything like that again.

I certainly hope we will do what is right. In saying that, I have got a question on your budget disclosure recommendation. I am not understanding how it would help in the fight against terrorism to publicly disclose the intelligence budget and anything for any other agencies that have the intelligence budget. Help me understand why that is critical.

Mr. *Kean.* One of the problems I felt, and again, maybe this is an outsider's perspective, but in everything else you do in the Congress, there are two oversights really. There is the oversight of the Congress and good oversight of the Congress, and then there is the oversight of the American people, informed by a sometimes vigilant press corps. And you hear from constituents, and it ignites debates, in every area except intelligence. I did not understand why. I could understand the need to keep sources, methods, all that business, but the size of the overall budget, I do not see how the enemy is helped. The press talks about the--I can tell you, for instance, David Broder says it is about $40 billion. I suppose if I told you what I had read confidentially, I would be breaking the law. I do not understand that. I mean I think--

Ms. *Davis.* Are you advocating breaking it down item by item to the public or just the--

Mr. *Kean.* No. One is the overall budget, I think we were agreed. And secondly, breaking down into areas, again, we did not see why, if you are spending so much on human intelligence, maybe you are not spending enough on human intelligence, and maybe that ought to be part of the debate. Maybe the public ought to know that and be able to add their voices to that debate.

As far as I am concerned--and this is just talking as a citizen now--I sort of feel that anything that does not hurt the national security ought to be public. That is sort of the way that democracy works best, and I just kept running into things, as I did my work, coming in as an outsider, that were not public that I thought ought to be, and budget was one of them.

Mr. *Hamilton.* I think your point, your question is a good one, and of course, the Congress has discussed this many times, and if my recollection serves me correctly, we have voted on it a number of times, whether or not the top figure ought to be made public or not.

The Commission I guess approached it from the standpoint that we think that one of the problems in the intelligence community today is that the American people look upon it as being too secret. Therefore, they are suspicious about it.

It kind of feeds the cynicism, if you would, of people towards government and towards the intelligence community specifically. Now, you cannot overcome that completely because by the nature of its work it is secret, a lot of it. But we thought maybe it would help a little bit to release at least the top figure, how much do you spend on intelligence and how much do you spend for each of the component agencies, not breaking it down, just the total figure. That is no revolution I think in and of itself, but it might be a modest step in terms of letting the people know a little more about intelligence.

My own personal view is that the intelligence companies, I know they are burdened with an awful lot of work, but they have to spend more time in talking to the American people, if you would, about the nature of their work, because I really do think there is a lot of suspicion of our intelligence communities today that is really unnecessary. You need as much dialogue and discussion between the intelligence community and the American people as we possibly can get, and this was an effort by the Commission to make a small step in that direction.

Ms. *Davis.* Thank you, Mr. Chairman.

Mr. *Boehlert.* Thank you.

Ms. Harman.

Ms. *Harman.* Thank you, Mr. Chairman. I appreciate a chance just for one additional question and a great big thank you, and one factual intervention also.

I think it was true for several years that this committee did release the top line of the intelligence budget, and then we reverted back to not releasing it. I think it is a very sensible suggestion that the American people get some idea of the size of the intelligence budget. I continue to think it is a sensible idea, and I thoroughly endorse what you have both said, that we have a separate intelligence budget so it does not get lost in the much larger defense budget.

And I continue to feel too that our legislative business should be done in public. This is one of our rare public hearings. We need more of them. The American people, Governor Kean, I agree with you, are an important part of oversight, and they cannot know what we do if we do not hold open hearings and do more of our business in sunlight, which I think would not compromise sources and methods.

I just have one budget question, which was not addressed, and I do not think it was addressed in your report, which I have read, and it certainly did not come up today. And that is another rant of this committee, which is the excessive budgeting by supplemental. You may not be fully aware, but we certainly made a great point of this in

the floor debate on the Intelligence Authorization Bill this year, that the majority of counterterrorism funding is not done through the CIA-based budget or the Intelligence Committee base budget, it is done by supplemental. It is a small part each time of the large supplementals we have been requesting for various warfighting activity. Many of us feel that if terrorism is the major threat of the 21st century and counterterrorism is our primary responsibility as an intelligence community, all of the counterterrorism funding should be part of the base budget for the intelligence community.

So my question, my one question, Mr. Chairman, is what are your views on full funding of counterterrorism in the base budget, whether it is handled by the new National Intelligence Director or whether it is handled as it presently is by OMB and the individual intelligence agencies?

Mr. *Hamilton.* We do not address it in the report. I would favor it. That is a personal opinion.

Mr. *Kean.* That sounds sensible to me.

Ms. *Harman.* I think, Mr. Chairman, that is another excellent set of answers from these Commissioners, and at least on my personal behalf, but I think on behalf of the American people.

I again want to thank you for extraordinary service, and beg you to hang in there and make sure that these

recommendations are thoroughly and promptly considered and acted upon.

Thank you very much, Mr. Chairman.

Mr. *Boehlert.* Thank you very much, Ms. Harman.

To wrap this first panel up, let me just emphasize what we have learned this morning. This is not the beginning. This is a continuation of the restructuring process to bring about a safer America served by an improved unified national intelligence effort. I would not want anyone to follow these deliberations and go away thinking that we are sitting here waiting to take action. Action has been taken.

We formed the new Department of Homeland Security, 22 separate agencies, 180,000 people under one umbrella to protect the American families in their homes, in their neighborhoods, here in the homeland.

We have established a Terrorist Threat Integration Center. We have passed bioshield legislation. The President has requested, and this committee has approved, the highest level of funding for the intelligence community in the history of the Republic.

The FBI is in the final stages of restructuring, something noted by the Commission in its report. That is making America more secure.

The President, this committee, the Congress in general, have embraced the concept of the establishment of someone in

charge, a National Intelligence Director, and the creation of a National Counterterrorism agency.

And as Mr. Cunningham has observed so often in response to the question by Mr. Everett, we have not had an attack since 9/11 here in the homefront because we are doing a lot of things right.

Intelligence serves us well every single day. That is not to say there is not need for a change. There is need. That is evident. But we point to the example of Libya, and Ms. Harman, Mr. Hoekstra, Mr. Gibbons and I, in early February met for hours in the middle of the Libyan desert in a tent with Colonel Qaddafi. Since that time, and it is now public--we were just a small part of the overall effort--they have turned over the weapons of mass destruction from Libya. They are cooperating in the war on terrorism. They have identified key operatives in the international trafficking in arms. They have acknowledged culpability and responsibility for Pan Am 103.

So there are a lot of things that are going on. That does not mean that the journey is complete. We still have a ways to go. I think there is also general agreement that we should--and I want to make sure I use these words carefully--act deliberatively with dispatch. In short--and that is not an oxymoron--and we have to move forward but we cannot drag our feet. Some have suggested bring Congress back instantly

tomorrow, pass legislation. That is not the way to do it. You have acknowledged that. We have acknowledged that.

But we have to do it in this session of Congress, and I am confident that we will because there are more areas of agreement than there are differences. So what we have to do is sort of sort out those areas where there is not yet a meeting of the mind, listen to the best experts we can summon to our deliberations, and have a dialogue, and that is exactly what has taken place here today.

I am very pleased to be the acting chairman--and I emphasize "acting chairman"--of this committee at this critical juncture. I am very privileged to with the committee that is bright enough to have on the wall of the chairmen of the committee, "Where there is no vision, the people perish."

You are helping to bring clarity to our vision, and I want to say to you on behalf of Republicans and Democrats alike on this committee, we appreciate from the bottom of our hearts what you have done, not just to help us, but to help America, and I want to applaud you.

[Applause.]

Thank you very much.

Mr. *Boehlert.* The hearing is adjourned, resuming at 1:00 p.m.

[Recess.]